



Your guide to financial success in America

November 23, 2015

Marcia Moermond  
Legislative Hearing Officer  
Office of the City Council  
15 West Kellogg Blvd.  
Suite 310, City Hall  
St. Paul, MN 55102

Re: 719 Payne Avenue

Dear Ms Moermond:

At the November 10, 2015, Legislative Hearing where 719 Payne Avenue was discussed Rich Thomasgard from my staff was present. He, along with Abdiwali and Abdirahman Ali, was instructed to bring to the November 24 Legislative Hearing a draft proforma showing Sources and Uses for rehabbing the property. That draft is attached.

The cost side of the draft proforma is the result of Flannery Construction visiting the property and putting together line item budget numbers for rehab. The rehab will produce a new grocery/convenience store with a small deli included. The rehab numbers assume a new storefront, new roof, opening up the interior by adding what were service bays to the store space, new finishes, new HVAC, plumbing, electrical, etc.

The funding sources are derived from conversations with City (Dan Bayers), STAR Program (Michelle Swanson) and East Side Neighborhood Development Company (Anne Dejoy) staff, as well as African Development Center (ADC) staff meeting with Abdiwali and his Mom. The proforma was shared with Dan Bayers, who said that the types of public funding and the relative amounts are in the realm of reality for a project like this. ADC is committed to working with Abdiwali and his family to pursue loan capital from its sources and other non-profit lending sources.

We look forward to continuing to pursue this project and bringing a vacant, blighted property back to productive and neighborhood-enhancing use.

Sincerely,

Nasibu Sareva  
Executive Director, African Development Center

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<b>719 Payne Avenue Project- 11/19/15 Draft</b>		
<b>Sources of Funding</b>		
ADC and Other Non-Profit Lenders		115,000
<b>Other Sources</b>		
St Paul: PED, Neighborhood STAR, 2%, other		100,000
ESNDC Business Investment Fund		50,000
Owner Equity		140,000
<b>Total Funding</b>		<b>405,000</b>
<b>Uses of Funding</b>		
Property Acquisition		39,000
Real Estate Taxes		12,000
Rehab (includes contingency and contractor fee)		250,000
Tank Removal		11,000
Inventory		50,000
Furniture, Fixtures and Equipment		13,000
Deli Equipment		20,000
Architect Fee		
Financing and Other fees		
Insurance: Builders Risk and Property		
Other		10,000
<b>Total Cost</b>		<b>405,000</b>